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Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-09 EUR-12 NEA-10
OIC-02 AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-07
NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01
L-03 H-02 AGRE-00 PA-02 PRS-01 JUSE-00 /159 W
----------113697 281323Z /42
R 281012Z JUL 77
FM USMISSION GENEVA
TO SECSTATE WASHDC 9754
INFO USUN NEW YORK 5515

UNCLAS SECTION 1 OF 2 GENEVA 6365

E.O. 11652: NA
TAGS: ECOSOC, EGEN, UN
SUBJ: 63RD ECOSOC: AGENDA ITEM 17 - TRANSNATIONAL CORPORATIONS

REF: GENEVA 6322

TRANSMITTED BELOW IS TEXT OF STATEMENT DELIVERED BY
AMBASSADOR WELLS UNDER THIS AGENDA ITEM.

BEGIN TEXT:
MR. CHAIRMAN,

UNDER THIS AGENDA ITEM WE ARE DISCUSSING
TWO REPORTS -- THE REPORT OF THE COMMISSION ON TRANSNATIONAL
CORPORATIONS (E/5986) AND THE REPORT OF THE AD HOC INTER-
GOVERNMENTAL WORKING GROUP ON THE PROBLEM OF CORRUPT
PRACTICES (E/6006).

I WOULD LIKE TO DEAL WITH EACH OF THESE REPORTS
IN TURN. BUT FIRST A GENERAL COMMENT.

THE U.S. GOVERNMENT BELIEVES THAT THE PRIVATE
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BUSINESS SECTOR CAN MAKE AN IMPORTANT CONTRIBUTION TO
OUR COMMON GOAL OF CREATING A WORLD IN WHICH ALL PEOPLES
ENJOY THOSE ESSENTIALS OF HUMAN DIGNITY ON A BASIS WHICH
IS EQUITABLE AND JUST. THIS RELATES NOT ONLY TO SO-CALLED
ECONOMIC CONSIDERATIONS -- THE TRANSFER OF GOODS AND
SERVICES -- BUT ALSO TO THE EQUALLY IMPORTANT QUESTIONS
OF SOCIAL AND HUMANITARIAN CONCERNS. WE HERE IN THIS COUNCIL,

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AS SPOKESMEN FOR THE PEOPLES OF THE WORLD, HAVE THE RESPONSIBILITY
TO CREATE CONDITIONS FOR CAPTURING THIS POTENTIAL AND AT THE
SAME TIME AVOIDING THE POSSIBLE NEGATIVE INFLUENCES OF SUCH
ACTIVITY. THE QUESTION REALLY IS NOT ONE OF SOCIAL BELIEF
-- OF CAPITALISM VERSUS SOCIALISM, OR WHATEVER. EVERY
MEMBER OF THIS COUNCIL CAN AND SHOULD ADOPT THAT PATTERN
WHICH MOST ACCURATELY REFLECTS ITS BELIEFS AND NEEDS.
MUCH MORE FUNDAMENTAL, THE QUESTION IS WHETHER GIVEN
OUR DIFFERENT ORIENTATIONS, WE CAN FASHION A PATTERN
OF INTERNATIONAL COOPERATION WHICH WILL SERVE US ALL.

IT IS IN THIS SPIRIT, MR. CHAIRMAN, THAT MY
DELEGATION HAS PARTICIPATED ACTIVELY IN THE WORK OF
THE COMMISSION ON TRANSNATIONAL CORPORATIONS. AT THE
SECOND SESSION OF THE COMMISSION HELD IN LIMA, PERU,
WE JOINED WITH OTHERS IN AGREEING UPON A WORK PROGRAM
FOR THE COMMISSION AND CORRESPONDINGLY FOR THE CENTRE.
THE THIRD SESSION OF THE COMMISSION PROVIDES US WITH
THE OPPORTUNITY FOR REVIEWING PROGRESS.

THE RECORD IS NOT PERFECT. HOWEVER, THE CENTRE
IS TO BE CONGRATULATED ON ITS EFFORTS TO TRANSLATE AND
IMPLEMENT THE WORK PROGRAM GIVEN TO IT. IN THIS REGARD,
LET ME PAY SPECIAL TRIBUTE TO EXECUTIVE DIRECTOR SAHLGREN
AND HIS ASSOCIATES.

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ONE AREA IN WHICH WE MUST ALL HOPE FOR BETTER
PROGRESS IS THAT CONCERNING THE FORMULATION OF A CODE OF
CONDUCT RELATING TO TRANSNATIONAL CORPORATIONS. WE ALL
AGREED IN LIMA THAT THIS WAS A MATTER OF HIGHEST PRIORITY.
I THINK THAT IT IS ACCURATE TO SAY THAT WE HAVE ALL MADE
A SERIOUS EFFORT TO MAKE PROGRESS. AND YET THE FACT
REMAINS THAT THE PROGRESS REPORTED IS LESS THAN WE HAD
HOPED FOR. WITHOUT GOING INTO THE SUBSTANCE, LET ME SIMPLY
REAFFIRM THE GENUINE COMMITMENT OF MY GOVERNMENT TO WORK
TOWARD THE FORMULATION OF A CODE OF CONDUCT. WE ARE
PREPARED TO MEET AT ANY TIME TO THIS END. AND WE SINCERELY
HOPE THAT THIS COUNCIL WILL HAVE MORE IN TERMS OF SUBSTANTIVE
CONTENT TO REVIEW AT ITS NEXT SESSION.

TURNING TO ANOTHER SUBJECT, I WOULD LIKE TO
EMPHASIZE ONCE AGAIN THE IMPORTANCE WHICH MY GOVERNMENT
ATTACHES TO TECHNICAL COOPERATION IN THIS AREA. THE GOAL
IS TO CREATE THE CAPABILITY SO THAT EVERY COUNTRY CAN
NEGOTIATE EFFECTIVELY IN ITS OWN BEST INTERESTS. THE
CENTRE HAS A CRITICAL ROLE TO PLAY IN THIS REGARD AND WE
JOINED WITH OTHERS AT THE SECOND SESSION OF THE COMMISSION IN
ENDORSING THE GENERAL APPROACH OF THE CENTER'S TECHNICAL COOPERATION

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PROGRAM.

BUT WE DO BELIEVE, MR. CHAIRMAN, THAT THE
CENTRE WILL BE MOST EFFECTIVE IN THIS EFFORT IF IT
MAINTAINS THE IMPARTIALITY EXPECTED OF INTERNATIONAL
CIVIL SERVANTS. THUS, WE BELIEVE THAT PERSONS
EMPLOYED BY THE CENTRE SHOULD NOT BE DIRECTLY INVOLVED
IN PARTICULAR NEGOTIATIONS AND THIS INCLUDES GIVING
ADVICE TO ONE OF THE PARTIES TO SUCH NEGOTIATIONS. IN
SUCH SITUATIONS, THE CENTRE SHOULD MAKE AVAILABLE A
LIST OF QUALIFIED CONSULTANTS WHICH THOSE COUNTRIES COULD
ENGAGE TO PERFORM THIS SERVICE FOR THEM.

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MR. CHAIRMAN, THERE ARE OTHER ASPECTS OF THE
COMMISSION'S REPORT WHICH DESERVE SERIOUS CONSIDERATION
BUT, IN THE INTEREST OF TIME, LET ME MOVE ON TO THE SECOND
REPORT BEFORE US -- THE REPORT OF THE AD HOC INTER-GOVERN-
MENTAL WORKING GROUP ON THE PROBLEM OF CORRUPT PRACTICES.

THE IMPORTANCE WHICH MY GOVERNMENT PLACES ON
THIS SUBJECT IS WELL KNOWN TO THE COUNCIL. IT HAS BEEN
EXPRESSED BY PRESIDENT CARTER AND, MOST RECENTLY, BY
AMBASSADOR YOUNG IN HIS ADDRESS TO THE COUNCIL ON JULY 8.
IT HAS BEEN MANIFESTED BY NEW DOMESTIC
MEASURES DESIGNED TO PREVENT BRIBERY BY U.S. NATIONALS
ABROAD AND IN A SERIES OF BILATERAL AGREEMENTS SIGNED
WITH OTHER COUNTRIES DESIGNED TO ASSIST THEM IN ENFORCING
THEIR NATIONAL LAWS IN THIS AREA.

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IN APPROACHING THE QUESTION, WE ARE IMPRESSED
THAT IN THIS AREA, WE ARE OPERATING ON THE BASIS OF
FUNDAMENTAL AGREEMENT. AS AMBASSADOR YOUNG SAID IN HIS
SPEECH TO THE COUNCIL: "WE ALL AGREE THAT BRIBERY OF
PUBLIC OFFICIALS CORRUPTS NATIONAL INSTITUTIONS; THAT IT
DISTORTS ECONOMIC DECISION MAKING AND THEREBY IMPEDES THE
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DEVELOPMENT PROCESS; THAT IT UNNECESSARILY RAISES THE
COST OF GOODS AND SERVICES TO THE CONSUMER AND AFFECTS
THE NATIONAL BALANCE OF PAYMENTS. THE NATIONAL LAWS OF
ALMOST ALL THE MEMBERS OF THE COUNCIL EXPLICITLY PROHIBIT
THE BRIBERY OF THEIR PUBLIC OFFICIALS. AND IN RESOLUTION 3514
OF THE THIRTIETH SESSION OF THE GENERAL ASSEMBLY,
WE AGREED ON THE NEED FOR INTERNATIONAL COOPERATION
TO PREVENT OR ELIMINATE SUCH PRACTICES."

IN SHORT, MR. CHAIRMAN, WE ALL AGREE ON THE
IMPORTANCE OF THIS PROBLEM AND ON THE NEED TO WORK
TOGETHER IN FINDING A SOLUTION. THE ONLY QUESTION,
THEREFORE, IS WHETHER WE CAN IN FACT DO SO. AND THIS
WAS THE TASK ENTRUSTED TO THE INTER-GOVERNMENTAL WORKING
GROUP.

MR. CHAIRMAN, MY GOVERNMENT IS PLEASED WITH
THE REPORT SUBMITTED BY THE WORKING GROUP. WE BELIEVE
THAT THE TEXTS PREPARED BY IT PROVIDE AN EXCELLENT BASIS
FOR AN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS. WITH
BOTH THE NEED AND THE BASIS OF AN AGREEMENT THUS ESTABLISHED,
WE PROPOSE THAT THE COUNCIL CALL FOR A DIPLOMATIC CONFERENCE
OF PLENIPOTENTIARIES TO ADOPT AN INTERNATIONAL
AGREEMENT ON ILLICIT PAYMENTS IN CONNECTION WITH INTER-
NATIONAL TRANSACTIONS BY TRANSNATIONAL AND OTHER CORPORATIONS,
THEIR INTERMEDIARIES AND OTHERS INVOLVED.

ALTHOUGH THE WORKING GROUP MADE SUBSTANTIAL
PROGRESS, MORE WORK REMAINS TO BE DONE.
THUS, IN KEEPING WITH THE RECOMMENDATION
OF THE WORKING GROUP, WE ALSO PROPOSE THAT THE COUNCIL
DECIDE TO CONTINUE THE WORKING GROUP, TO EXPAND ITS
MEMBERSHIP SO AS TO PERMIT ALL INTERESTED COUNTRIES TO
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PARTICIPATE, TO DRAFT AN INTERNATIONAL AGREEMENT ALONG
THE LINES PROPOSED ABOVE, AND TO CONSIDER OTHER ACTIONS
OF COMBATTING CORRUPT PRACTICES.

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MR. CHAIRMAN, MY GOVERNMENT FULLY RECOGNIZES
THAT THE COUNCIL'S WORK ON THIS PROBLEM IS ONLY ONE OF
THE POSSIBLE MEASURES TO BE TAKEN AT THE INTERNATIONAL
LEVEL TO DEAL EFFECTIVELY WITH THE PROBLEMS OF CORRUPT
PRACTICES -- AND IN FACT THE WHOLE RANGE OF ISSUES INVOLVED
IN INTERNATIONAL COMMERCIAL TRANSACTIONS. AS I INDICATED
PREVIOUSLY, WE ARE COMMITTED TO WORKING ACTIVELY AND
POSITIVELY TOWARD THE FORMULATION OF A CODE OF CONDUCT.
IN OTHER FORA, WE ARE ENGAGED IN DISCUSSING RELATED
ISSUES SUCH AS THE TRANSFER OF TECHNOLOGY.

THE POINT THAT I WOULD LIKE TO MAKE, MR. CHAIRMAN,
IS THAT MY DELEGATION DOES NOT SEE THESE EFFORTS AS
COMPETITIVE. QUITE THE CONTRARY -- THEY ARE COMPLEMENTARY.
PROGRESS ON EACH CAN HAVE A HEALTHY EFFECT ON THE OTHERS.
THUS, FOR EXAMPLE, WHILE WE AGREE THAT WORK ON THE GENERAL
CODE OF CONDUCT HAS HIGHEST PRIORITY, WE SEE NO REASON WHY
AGREEMENT ON THE MORE SPECIFIC AND MANAGEABLE ISSUE OF
ILLICIT PAYMENTS SHOULD NOT MOVE FORWARD TO AN EARLY
CONCLUSION.

MR. CHAIRMAN, MY DELEGATION PLANS TO SUMBIT FOR ADOPTION
BY THE COUNCIL A DRAFT RESOLUTION ALONG THE LINES INDICATED
ABOVE. END TEXT. VANDEN HEUVEL

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